

Message Text

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ORIGIN DOE-11

INFO OCT-01 EUR-12 ISO-00 OES-07 EB-08 ACDA-12 CIAE-00
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DRAFTED BY DOE/IP:JVANDERRY
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FOR USOECD

E.O. 11652: NA

TAGS: TECH, ENGR, OECD

SUBJECT: JANUARY 24 MEETING ON ITALIAN PROPOSAL FOR JOINT
FUNDING OF IEA R AND D PROJECTS

1. FOLLOWING IS GUIDANCE FOR MISSION IN REPRESENTING U.S.
AT SUBJECT MEETING. BASICALLY, WE DO NOT BELIEVE IT
POSSIBLE OR ADVISABLE TO SEEK A UNIVERSAL FORMULA FOR
FINANCIAL PARTICIPATION IN IEA R AND D PROJECTS SUCH AS
DESCRIBED IN THE ITALIAN PROPOSAL. ALL SUCH FORMULAE HAVE
INHERENT BIAS AND DO NOT SUFFICIENTLY CONSIDER THE
PARTICULAR CONDITIONS IN INDIVIDUAL COUNTRIES.

2. PROPOSED ITALIAN FORMULA ESSENTIALLY USES NATIONAL
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GDP AS PERCENT OF TOTAL IEA COUNTRY GDP AS BASIS FOR
ARRIVING AT PERCENT SHARE TO BE PAID FOR JOINT PROJECT,
REDUCED BY FACTOR TAKING INTO ACCOUNT PERCENT OF NATIONAL
GDP SPENT ON ENERGY IMPORTS AND ENERGY INVESTMENT. THIS
FORMULA SERVES TO MARKEDLY INCREASE (IN COMPARISON TO
STRAIGHT GDP CALCULATION) PERCENTAGE WHICH WOULD BE PAID BY
CANADA AND NETHERLANDS, (TO LESSER DEGREE SWITZERLAND AND

AUSTRIA) AND SIGNIFICANTLY DECREASES TURKISH CONTRIBUTION
(AND TO LESSER DEGREE IRELAND, JAPAN, NEW ZEALAND AND U.K.).

IT SHOULD ALSO BE NOTED THAT PROPOSED ITALIAN FORMULA
WOULD PENALIZE COUNTRY WHICH REDUCES ITS EXPENDITURES
FOR ENERGY IMPORTS, CONTRARY TO OVERALL THRUST OF IEA
OBJECTIVES.

3. SINCE PARTICIPATION IN IEA R AND D PROJECTS IS ON A
VOLUNTARY BASIS AND DEPENDS ON SPECIFIC NATIONAL INTERESTS
AND ONGOING OR PLANNED NATIONAL PROGRAMS, WHICH ALREADY
TAKE ACCOUNT OF NATIONAL SITUATIONS (E.G., AVAILABILITY
DOMESTIC ENERGY RESOURCES, PATTERNS OF DOMESTIC ENERGY
USE, ENERGY PRICES, POSSIBILITIES FOR CONSERVATION, ETC),
WE DO NOT BELIEVE IT APPROPRIATE TO DEVELOP SINGLE
FORMULA GOVERNING NATIONAL FINANCIAL PARTICIPATION IN ALL
PROJECTS. IT MAY BE POSSIBLE TO DEVELOP CERTAIN GUIDE-
LINES OR PRINCIPLES GOVERNING THE EXTENT OF EXPECTED
PARTICIPATION IN JOINT PROJECTS, HOWEVER. WE WOULD
EXPECT TO EXPLORE THIS APPROACH IN THE CONTEXT OF DISCUS-
SIONS ARISING OUT OF NATIONAL REVIEWS.

4. FYI: WE DO NOT BELIEVE THAT ITALIANS HAVE ANY SIGNI-
FICANT SUPPORT FROM OTHER SMALL COUNTRIES OR THE EC AS A
BLOC IN ATTEMPTING TO DEVELOP ANY GENERAL FORMULA. WE
NOTE A HISTORY OF LITTLE OR NO DIFFICULTY IN ARRIVING AT
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MUTUALLY ACCEPTABLE FUNDING FORMULAS IN ALREADY APPROVED
JOINTLY FUNDED IEA R AND D PROJECTS. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
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Concepts: FUND ALLOTMENT, MEETINGS, JOINT VENTURES
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Copy: SINGLE
Draft Date: 17 jan 1978
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Disposition Approved on Date:
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ISecure: 1
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